

**CONFIDENTIAL**

18 October 1971

MEMORANDUM FOR THE RECORD

SUBJECT: Renegotiation Board

1. I received a call today from Mr. Lawrence Hartwig, Chairman of the Renegotiation Board. He stated that he expects there will be a new Chairman in the not too distant future in the person of Richard T. Burress, who is presently occupying the position in the Executive Office of the White House as Deputy Assistant to the President for Domestic Affairs.

2. Mr. Hartwig further stated that one of the Board members, Mr. William Henry Harrison, is leaving the Board; and that it is contemplated that Mr. Burress will take his place. After an appropriate period of seasoning, Mr. Hartwig and Mr. Burress will then change places; Hartwig becoming a Board member. He further stated that Mr. Burress had worked on the Hill and as a former FBI agent and resides in Mohican Hills, Maryland.

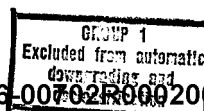
3. Mr. Hartwig stated that after Mr. Burress has been in place for an appropriate time, he, Hartwig, would call me in order that appropriate arrangements might be made to brief Mr. Burress on the status of Air America. It may be that our security people will want to make some kind of check on Mr. Burress.



Associate General Counsel, OL

25X

**CONFIDENTIAL**



Public Law 86-89  
86th Congress, H. R. 7086  
July 13, 1959

AN ACT

To extend the Renegotiation Act of 1951, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. EXTENSION.**

Section 102(c) (1) of the Renegotiation Act of 1951, as amended (50 U.S.C. App., sec. 1212(c) (1)), is amended by striking out "June 30, 1959" and inserting in lieu thereof "June 30, 1962".

Renegotiation  
Act of 1951,  
extension.  
72 Stat. 1785.

**SEC. 2. FIVE-YEAR LOSS CARRYFORWARD.**

Subsection (m) of section 103 of the Renegotiation Act of 1951, as amended (50 U.S.C. App., sec. 1213(m)), is amended—

70 Stat. 786.

(1) By striking out the heading and inserting in lieu thereof the following:

"(m) **RENEGOTIATION LOSS CARRYFORWARDS.**—".

(2) By striking out subparagraph (A) of paragraph (2) and inserting in lieu thereof the following:

"(A) The term 'renegotiation loss deduction' means—

"(i) for any fiscal year ending on or after December 31, 1956, and before January 1, 1959, the sum of the renegotiation loss carryforwards to such fiscal year from the preceding two fiscal years; and

"(ii) for any fiscal year ending after December 31, 1958, the sum of the renegotiation loss carryforwards to such fiscal year from the preceding five fiscal years (excluding any fiscal year ending before December 31, 1956)."

(3) By striking out "CARRYFORWARDS.—A" in paragraph (3) and inserting in lieu thereof the following: "CARRYFORWARDS TO 1956, 1957, AND 1958.—For the purposes of paragraph (2) (A) (i), a".

(4) By adding at the end of such subsection the following new paragraph:

"(4) **AMOUNT OF CARRYFORWARDS TO FISCAL YEARS ENDING AFTER 1958.**—For the purposes of paragraph (2) (A) (ii), a renegotiation loss for any fiscal year (hereinafter in this paragraph referred to as the 'loss year') ending on or after December 31, 1956, shall be a renegotiation loss carryforward to each of the five fiscal years following the loss year. The entire amount of such loss shall be carried to the first fiscal year succeeding the loss year. The portion of such loss which shall be carried to each of the other four fiscal years shall be the excess, if any, of the amount of such loss over the sum of the profits derived from contracts with the Departments and subcontracts in each of the prior fiscal years to which such loss may be carried. For the purposes of the preceding sentence, the profits derived from contracts with the Departments and subcontracts in any such prior fiscal year shall be computed by determining the amount of the renegotiation loss deduction without regard to the renegotiation loss for the loss year or for any fiscal year thereafter, and the profits so computed shall not be considered to be less than zero."

73 Stat. 210.  
73 Stat. 211.

**SEC. 3. GENERAL COUNSEL OF THE RENEGOTIATION BOARD.**

Section 107(c) of the Renegotiation Act of 1951, as amended (50 U.S.C. App., sec. 1217(c)), is amended by inserting before the first sentence thereof the following new sentence: "There shall be a General Counsel of the Renegotiation Board who shall be appointed by the

70 Stat. 791.

Pub. Law 86-89

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July 13, 1959

73 Stat. 211.

Board without regard to the civil-service laws and regulations, and shall receive compensation at the rate of \$19,000 per annum."

**SEC. 4. STUDIES OF PROCUREMENT POLICIES AND PRACTICES AND THE RENEGOTIATION ACT OF 1951.**

(a) (1) The Committee on Armed Services of the Senate, or any duly authorized subcommittee thereof, and the Committee on Armed Services of the House of Representatives, or any duly authorized subcommittee thereof, are directed to make full and complete studies of the procurement policies and practices of the Department of Defense, the Department of the Air Force, the Department of the Army, and the Department of the Navy. Such studies shall include an examination of the experience of such Departments in the use of various methods of procurement and types of contractual instruments, with particular regard to the effectiveness thereof in achieving reasonable costs, prices, and profits.

Reports to  
Congress.

(2) Each committee shall, not later than September 30, 1960, report to its House the results of the study conducted by it pursuant to paragraph (1) of this subsection, together with such recommendations as it deems necessary or desirable. Each committee shall make all material and data collected in the course of the study conducted by it available to the Joint Committee on Internal Revenue Taxation to assist it in making the study required by subsection (b).

65 Stat. 7.  
50 USC app.  
1211 note.  
Reports to  
Congress.

(b) (1) The Joint Committee on Internal Revenue Taxation, or any duly authorized subcommittee thereof, is directed to make a full and complete study of the Renegotiation Act of 1951, as amended, and of the policies and practices of the Renegotiation Board.

(2) The Joint Committee shall, not later than March 31, 1961, report to the Senate and the House of Representatives the results of the study conducted pursuant to paragraph (1) of this subsection, together with such recommendations as it deems necessary or desirable.

68A Stat. 927,  
928.  
26 USC 8021,  
8023.

(3) For the purpose of making the study and report required by paragraph (1) of this subsection, the Joint Committee, and the Chief of Staff of the Joint Committee, may exercise any of the powers conferred upon the Joint Committee and the Chief of Staff of the Joint Committee by sections 8021 and 8023 of the Internal Revenue Code of 1954. The provisions of section 8023(b) of such Code shall apply to requests made under the authority of this paragraph to the same extent as in the case of other requests made under the authority of section 8023(a) of such Code.

Approved July 13, 1959.

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:

Associate General Counsel, OL  
[ ] Ames Center Building

EXTENSION

NO.

2565

DATE

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

RECEIVED

FORWARDED

1. Office of General Counsel  
Attn: [ ]

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You may wish to  
show this to Mr. Houston  
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